



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE
AUDITOR-CONTROLLER

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS
JOHN NAIMO
JAMES L. SCHNEIDERMAN
JUDI E. THOMAS

September 14, 2011

TO: All Department Heads

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **ANNUAL REPORTING REQUIREMENTS FOR FOUNDATIONS AND
SUPPORT GROUPS**

On January 4, 1994, the Board of Supervisors adopted requirements governing departments' relationships with foundations and support groups. The adopted procedures, which were incorporated into the County Fiscal Manual, define the types of organizations that qualify as "reportable foundations," and require departments to monitor, account for, and report on their relationships with reportable foundations. These procedures also require departments to file an annual benefit/cost report with the Board of Supervisors and the Auditor-Controller on each reportable foundation.

Attached is the **ANNUAL REPORTING FORM FOR FOUNDATION ACTIVITIES**. The form can also be found on the Auditor-Controller's internet website (http://file.lacounty.gov/auditor/portal/cms1_163297.doc). As specified in County Fiscal Manual Section 16.1.3.7, the form requires departments to report general information on foundation activities, the amount of County support provided to the foundation, and the tangible and intangible benefits provided by the foundation. Departments are also required to report all cases where department employees serve as officers of an affiliated foundation, or are on the foundation's board of directors. Finally, the department head must affirm/certify that each of the department's foundation affiliations continues to be in the best interest of the County.

It is very important that departments specifically identify and, where possible, quantify intangible benefits provided by each foundation. In past years, many departments have not identified the intangible benefits provided to the Department by foundations. In many cases, the value of the support (e.g., staff salaries, etc.) provided by the County to a foundation far exceeds the tangible benefits provided by the foundation. Even if it appears obvious what the intangible benefits are, it is important to document and, where

possible, quantify the intangible benefits to show the true value of continuing the relationship with the foundation.

The attached form should be completed and submitted to my office for each affiliated reportable foundation by November 30, 2011. As indicated in the County Fiscal Manual, departments affiliated with multiple small neighborhood groups supporting specific facilities or activities (e.g., small informal local groups that support particular parks, local libraries or youth activities, such as boys or girls clubs) may submit a single combined report for these types of support groups. The combined report should list each informal group, and provide a summary of the requested information for all of the informal groups in total.

Departments that do not have any affiliations with reportable foundations must also sign and submit the attached Certification. We will provide the Board with information on specific foundations at their request. The completed annual reporting forms should be submitted to the Board of Supervisors and the Auditor-Controller at these addresses:

Board of Supervisors

Sachi Hamai
Executive Officer, Board of Supervisors
500 West Temple Street, Room 383
Los Angeles, CA 90012-2766
Attention: Foundation Report

Auditor-controller

Wendy L. Watanabe
Auditor-Controller
500 West Temple Street, Room 525
Los Angeles, CA 90012-2766
Attention: Don Nguyen, Audit Division

Departments may also email the signed Board of Supervisor's copy to boscustomerservicecenter@bos.lacounty.gov, and the signed Auditor-Controller's copy to dtnguyen@auditor.lacounty.gov in a PDF format. If you have any questions, please contact Don Nguyen at (213) 253-0137.

WLW:JLS:RGC:MWM

Attachment

c: Chief Deputies
Administrative Deputies
Audit Committee

**COUNTY OF LOS ANGELES
AUDITOR-CONTROLLER**

**ANNUAL REPORTING FORM
FOR FOUNDATION ACTIVITIES**

REPORTING PERIOD - FY 2010-2011

Department _____

Departmental Contact: _____

Email and Telephone Number: _____

Certification

I hereby affirm/certify, to the best of my knowledge and belief, the foregoing information provided on this annual reporting form is true and accurate:

____ The Department is not affiliated with any reportable foundations(s)

____ The Department's affiliation with the following named foundation, guild, auxiliary or other support organization continues to be in the best interests of the County. (Please complete and include the foundation information below.)

Department Head Signature

Date

Foundation Information

1. Foundation: _____

2. Date Foundation Chartered/Incorporated _____

Has the organization filed for and received California tax exempt status?

Yes ☐

No ☐

3. Purpose of Foundation: _____

4. During the reporting period, were any Department employees directly involved with the Foundations policy making or its administration and operations (e.g., by serving as members of the Board of Directors or officers of the Foundation)?

Yes ☐

No ☐

If yes, list the names and positions of the employees below.

<u>Name</u>	<u>Position</u>
_____	_____
_____	_____
_____	_____
_____	_____

Has the involvement in Foundation activities of the above-named employees been discussed with County Counsel and approved by the Board of Supervisors?

Yes ☐

No ☐

5. If Department employees were involved in the activities and operations of the Foundation, identify the approximate percentage of time, the number of employees and the salary and employee benefits costs spent on Foundation activities during the reporting period.

**Percentage of Time Spent
On Foundation Activities**

**Number of
Employees**

**Approximate
Salaries and Benefits**

100 %	_____	\$ _____
75 % to less than 100 %	_____	_____
50 % to less than 75 %	_____	_____
25 % to less than 50 %	_____	_____
less than 25 %	_____	_____

Totals (include total salaries in 6d. below) \$ _____

6. Total estimated value of support provided by the Department to the Foundation during the reporting period.

<u>Type of Support</u>	<u>Cost or Value of Support Provided to the Foundation</u>
a. Office space	\$ _____
b. Utilities	_____
c. Supplies	_____
d. Staff/personnel (salaries and benefits, including the total from #5 above)	_____
e. Travel/transportation	_____
f. Other (describe) _____ _____ _____ _____	_____
Total	\$ _____

7. Were any County revenues from activities (e.g., ticket sales or entrance fees, etc.) transferred or otherwise provided to the Foundation during the reporting period?

Yes ☐

No ☐

If yes, describe the type (source) of revenues and the amount and percent of revenues transferred to the Foundation. (The percent is the percent of that specific category of revenue, e.g., the percent of general admission fees.)

**Dollar Amount Transferred and Percent
of Total Revenues Transferred**

<u>Type of Revenue</u>	<u>Amount</u>	<u>Percentage</u>
General admission fees	\$ _____	_____ %
Special events admission fees	_____	_____ %
Revenues from other activities (e.g., concession sales); describe the other activities.	_____	_____ %

Total	\$ _____	

8. Does the Department provide oversight or monitor the Foundation's activities, services (i.e., support provided to the Department) or financial matters?

Foundation activities

Yes

☐

No

☐

Foundation services

(Support provided to Dept.)

Yes

☐

No

☐

Financial matters

Yes

☐

No

☐

9. Type and value of tangible support provided by the Foundation to the Department during the reporting period.

Type of Support (See Note below)		Value of Support	<u>Received</u>
Contributions:			
Monetary	\$		_____
Additional compensation for County employees			_____
Supplies/medicines			_____
Equipment/facilities			_____
Travel/transportation			_____
Other (describe):			_____
_____			_____
_____			_____
Total	\$		_____

Note: Tangible contributions, such as funds, supplies or equipment which foundations donate to the department or the department's clients, are considered donations and must be budgeted, accounted for and documented (dates, value, etc.) in accordance with the donation procedures in the **County Fiscal Manual** Section 2.4.0.

10. Does the Foundation provide intangible benefits/services (e.g., volunteer hours, goodwill, etc.) to the Department? (See Note below.)

Yes ☐

No ☐

Type & Number of Units

Note: It is very important that intangible benefits be identified and listed to show the true value of continuing the relationship with the foundation. Volunteer hours, etc., must be listed in this section. They are **NOT** to be dollarized and included in 9 above.

12. Foundation operating budget. \$ _____
13. Attach Foundation's Form 199 (Exempt Organization Annual Information Return or Statement).

Attached ☐

Not Attached ☐

If Form 199 is not attached, please explain why:

[illegible]

14. Attach a list of foundation assets (cash, etc.).

Attached ☐

Not Attached ☐

If a list of assets is not attached, please explain why:

15. List any observations on areas where the Foundation may be able to improve the manner in which it operates. For example:

1. In its relationship with the Department.
2. In its relationship with the clients it serves.
